

C.I.A. Link to Hughes Reported Burglary on Coast

By JAMES PHELAN

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LOS ANGELES, March 13—Safecrackers who looted Howard Hughes's Romaine Street headquarters here last year got documents that disclosed relations between the Central Intelligence Agency and Mr. Hughes's Summa Corporation, according to sources connected with the investigation.

Details of the burglary and the trend of the investigation have been pieced together through interviews with a number of sources familiar with the situation. The sources include people in the Hughes operation, local and Federal investigators and private people directly involved in the investigations.

According to these sources, Government officials learned of this security breach when the safecracker tried to blackmail the Hughes organization for \$1-million.

The extortion attempt and a later effort by law enforcement officers to buy back the stolen documents for \$1-million both failed, and the confidential documents, described as filling two footlockers, are believed to be still in the hands of the burglars.

Grand Jury Inquiry

Loss of Mr. Hughes's confidential files was disclosed on Feb. 9, after a Hughes security agent confirmed that he had received a telephoned demand for the money from a man who described himself as an "intermediary" for the four-man burglary team. The burglary is being investigated by a Los Angeles County grand jury.

The sources also said that "Romaine," as the operations headquarters at 7020 Romaine Street is known throughout the Hughes empire, was never approved by the Defense Department as a repository for classified documents. Mr. Hughes's Summa Corporation and his Hughes Aircraft Company have defense contracts running into the hundreds of millions of dollars.

"We never inspected the Romaine Street building's security system, because the building was never designated as a repository for classified material," said Don O'Connor, public affairs officer for the Defense Contract Administration Services.

The agency must approve the type of safes in which sensitive documents are kept, the kinds of locks on the security alarms and the guard system, D.C.A.S. agents then inspect the building every three months to make sure that proper security is being maintained.

Guard Was Surprised

When the four burglars looted the Romaine Street building shortly after midnight last June 5, only one guard and one other Hughes employee were on duty, law enforcement sources said. According to the initial police report, the guard was surprised by a gunman while on patrol outside the building and forced to admit the safecrackers. During a four-hour foray, between 12:45 A.M. and 4:45 A.M., the burglars burned open two safes with acetylene torches and rifled files and desks.

On July 29, a Hughes agent received a phone call attempting to extort \$1-million from Mr. Hughes, who is one of the nation's wealthiest men. The burglars sought to sell back the stolen files in two installments of \$500,000 each.

The negotiations were taken over by Ralph Winte, head of the Hughes organization's West Coast internal security division. After a series of telephone conversations, which were tape-recorded on the Hughes end, the extortion demand was refused. Hughes officials reasoned that the material would probably be photocopied by the burglars for further extortion demands.

Hughes Aides Questioned

The loss of the billionaire's files caused consternation in his organization, because Mr. Hughes has a penchant for secrecy in even routine business transaction. Hughes officials have speculated privately that the burglary was an "inside job," and number of Hughes employees have been subjected to lie detector tests.

Among the data that the burglars boasted they had stolen were documents discussing an arrangement between the C.I.A. and Mr. Hughes's Summa Corporation. Reliable sources familiar with the investigation say that at least one document taken was a memorandum explaining to Mr. Hughes in detail the relationship that would exist between his corporation and the C.I.A.

Summa Corporation is successor to the Hughes Tool Company as the top holding company for the billionaire's ties. He is the sole stockholder in the corporation.

The sources gave the account of what happened after the extortion attempt failed:

An automobile salesman named Donald R. Wor approached a television writer here and told him he had access to the Hughes files. Mr. Wor told the writer that he wanted to sell the documents which Mr. Woolbright scribed as "politically sensitive," to some publication outside the United States.

The writer, who asked that he not be identified, says he made one telephone call to the New York office of Der Spiegel, a West German magazine. He then consulted his attorney, the writer said, and was advised to inform local law enforcement officials about the approach to him by Mr. Woolbright.

Burglary 'On Commission'

He said that Mr. Woolbright told him that the burglary had been staged "on commission" by four men from St. Louis. Mr. Woolbright has an extensive police record on charges that include burglary, possession of burglars' tools and receiving stolen property.

The writer said that he had given Mr. Woolbright \$4,000, which was intended to purchase one file from the burglars. Soon, the writer said Mr. Woolbright broke off contact with him and vanished.

Around September, local law enforcement officials set up a plan to buy back the stolen Hughes files with what law officials describe as "a million dollars in Federal funds."

Law enforcement officials say that the plan was kept secret, because the case "involved the national security at the highest level."

These sources say that instructions to buy back the files were given by Clarence M. Kelley, head of the Federal Bureau of Investigation, William Sullivan, special agent in charge of the Los Angeles F.B.I. office, who relayed them to Chief Ed Davis of the Los Angeles Police Department.

Chief Davis has declined to discuss the case, because it is before a Los Angeles County grand jury.

A Los Angeles F.B.I. spokesman said only, "We looked into the burglary at the outset

that they were dealing with a high Hughes official. Instead, the police source said, Miss Henley went to a party.

Other aspects of the police investigation puzzle people familiar with the case.

At the time law enforcement officials were trying to re-establish contact with the burglars with a million-dollar bait, Mr. Woolbright was at his home at 7734 Glassport Avenue in Canoga Park, a suburb of Los Angeles.

He and his wife sold the property to a California couple, Mr. and Mrs. James Brees, last Oct. 29, some two months after the television writer went to law enforcement officers and told them of Mr. Woolbright's connection with the burglars. Mr. Woolbright took a \$4,500 second trust deed in the home transaction, and the Breeses have been mailing their monthly payments to him in care of the Woodland Hills branch of Security Pacific National Bank.

Mr. and Mrs. Brees said that no law enforcement officers, either local or Federal, have ever talked with them. They were unaware that Mr. Woolbright was being sought for questioning. He vanished from Canoga Park in early November.

Informants that Mr. Woolbright had begun hunting for him, Chief Davis said, "We have a lot of crime here, and we are understaffed."

A Hughes spokesman, questioned about the Romaine burglary, said, "We will not comment on any aspects of this matter."

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Hughes, Howard

CIA 4.01 Summa Corp.

& CIA 7.02 DOD (Defense Dept)

Woolbright, Donald R

SO CY. 01.1 W. Germany:

Der Spiegel

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